

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MISSOURI**

Proposed Revision to Local Rule 4070-1A and D. Insurance.

A. Debtor-in-Possession. Unless otherwise ordered, debtors-in-possession in any Chapter shall insure all estate assets against physical damage and loss with policy limits covering asset values stated in debtor's schedules; maintain liability coverage for operations and businesses; and as appropriate or customary for the industry, maintain additional types of insurance (e.g. workers compensation, products liability, or professional liability). In the case of a motor vehicle, absent agreement between the debtor and the lienholder, the debtor shall prepay at least three months of insurance on the vehicle; the collision and comprehensive deductible shall not exceed five hundred dollars (\$500) and the insurance policy shall name the lienholder as a loss payee.

D. Motor Vehicles. For a motor vehicle retained by debtor and subject to a creditor's allowed secured claim (including a mobile home or trailer designed for or capable of travel on public roads) in addition to requirements stated in Paragraphs A, B and C, if debtor fails to provide proof of insurance or for any reason insurance lapses or terminates, debtor is enjoined from using the vehicle so long as it is uninsured and the following ~~applies~~ apply:

1. The secured creditor shall serve debtor, personally or by mail, at the address in the bankruptcy petition, and debtor's attorney, written notice of the lapse or termination of insurance.

2. Failure of the debtor to provide the creditor proof of insurance within three business days after service of the notice in subsection (1), shall constitute prima facie evidence of irreparable injury, loss or damage pursuant to § 362(f) and Fed. R. Bankr. P. 4001(a)(2)(A). ~~If debtor fails to provide the creditor proof of insurance within three business days after service of the notice in subsection (1), debtor shall surrender the vehicle or the secured creditor may take possession and hold it pending presentation of proof of insurance.~~

3. ~~Within five days after taking possession of a vehicle pursuant to subsection (2), the creditor shall file a motion for lift of stay, with an affidavit stating compliance with this Rule. The Court may grant the creditor relief from § 362 without further hearing or notice.~~

EDITED AND MOVED TO A.

4. Absent agreement between the debtor and the lienholder, the debtor shall prepay at least three months of insurance on the vehicle; the collision and comprehensive deductible shall not exceed five hundred dollars (\$500); and the insurance policy shall name the lienholder as a loss payee.